



**Iowa General Assembly**  
**Daily Bills, Amendments and Study Bills**  
**March 27, 2015**

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**House File 613 - Introduced**

HOUSE FILE 613  
BY JACOBY

**A BILL FOR**

1 An Act relating to the Iowa high school athletic association's  
2 state wrestling tournament and school calendar instructional  
3 time established by school districts and accredited  
4 nonpublic schools.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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kh/rj



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1     Section 1. Section 279.10, subsection 1, Code 2015, is  
2 amended to read as follows:

3     1. The school year for each school district and accredited  
4 nonpublic school shall begin on July 1 and each regularly  
5 established elementary and secondary school shall begin no  
6 sooner than a day during the calendar week in which the first  
7 day of September falls but no later than the first Monday in  
8 December. However, if the first day of September falls on a  
9 Sunday, school may begin on a day during the calendar week  
10 which immediately precedes the first day of September. The  
11 school calendar shall include not less than one hundred eighty  
12 days, except as provided in subsection 3, or one thousand  
13 eighty hours of instruction during the calendar year. The  
14 board of directors of a school district and the authorities in  
15 charge of an accredited nonpublic school shall set the number  
16 of days or hours of required attendance for the school year  
17 as provided in section 299.1, subsection 2, but the board of  
18 directors of a school district shall hold a public hearing  
19 on any proposed school calendar prior to adopting the school  
20 calendar. If the board of directors of a district or the  
21 authorities in charge of an accredited nonpublic school extends  
22 the school calendar because inclement weather caused the school  
23 district or accredited nonpublic school to temporarily close  
24 during the regular school calendar, the school district or  
25 accredited nonpublic school may excuse a graduating senior  
26 who has met district or school requirements for graduation  
27 from attendance during the extended school calendar. A school  
28 corporation may begin employment of personnel for in-service  
29 training and development purposes before the date to begin  
30 elementary and secondary school. The Thursday and Friday on  
31 which the Iowa high school athletic association holds its state  
32 wrestling tournament shall be considered school holidays and  
33 those days shall not be construed or counted as instructional  
34 time for purposes of section 256.7, subsection 19, in the  
35 school calendar established by the board of directors of a

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1 school district and the authorities in charge of an accredited  
2 nonpublic school.

3 EXPLANATION

4 The inclusion of this explanation does not constitute agreement with  
5 the explanation's substance by the members of the general assembly.

6 This bill provides that the two days on which the Iowa  
7 high school athletic association holds its state wrestling  
8 tournament shall be considered school holidays and those  
9 days shall not be construed or counted as instructional time  
10 for purposes of Code section 256.7, subsection 19, in the  
11 school calendar established by the board of directors of a  
12 school district and the authorities in charge of an accredited  
13 nonpublic school.



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**House File 614 - Introduced**

HOUSE FILE 614  
BY COMMITTEE ON WAYS AND MEANS  
  
(SUCCESSOR TO HSB 161)

**A BILL FOR**

1 An Act relating to the possession, sale, transfer, purchase,  
2 and use of fireworks and providing penalties.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 100.1, subsection 4, paragraph b, Code  
2 2015, is amended to read as follows:

3 b. The storage, transportation, handling, and use of  
4 flammable liquids, combustibles, fireworks, and explosives;

5 Sec. 2. Section 100.1, Code 2015, is amended by adding the  
6 following new subsection:

7 NEW SUBSECTION. 8. To order the suspension of the use  
8 of consumer fireworks, display fireworks, or novelties, as  
9 described in section 727.2, if the fire marshal determines that  
10 the use of such devices would constitute a threat to public  
11 safety.

12 Sec. 3. NEW SECTION. 100.19 Consumer fireworks seller  
13 licensing — penalty.

14 1. As used in this section:

15 a. "APA 87-1" means the American pyrotechnics association  
16 standard 87-1, as published in December 2001.

17 b. "Community group" means a nonprofit entity that is open  
18 for membership to the general public which is exempt from  
19 federal income taxation pursuant to section 501(c)(3) of the  
20 Internal Revenue Code or a fraternal benefit society, as that  
21 term is defined in section 512B.3.

22 c. "First-class consumer fireworks" means the following  
23 consumer fireworks, as described in APA 87-1, chapter 3:

24 (1) Aerial shell kits and reloadable tubes.

25 (2) Chasers.

26 (3) Helicopter and aerial spinners.

27 (4) Firecrackers.

28 (5) Mine and shell devices.

29 (6) Missile-type rockets.

30 (7) Roman candles.

31 (8) Sky rockets and bottle rockets.

32 (9) Multiple tube devices under this paragraph "c" that are  
33 manufactured in accordance with APA 87-1, section 3.5.

34 d. "Retailer" means as defined in section 423.1.

35 e. "Second-class consumer fireworks" means the following

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1 consumer fireworks, as described in APA 87-1, chapter 3:

2 (1) Cone fountains.

3 (2) Cylindrical fountains.

4 (3) Flitter sparklers.

5 (4) Ground and hand-held sparkling devices, including  
6 multiple tube ground and hand-held sparkling devices that are  
7 manufactured in accordance with APA 87-1, section 3.5.

8 (5) Ground spinners.

9 (6) Illuminating torches.

10 (7) Toy smoke devices.

11 (8) Wheels.

12 (9) Wire or dipped sparklers.

13 2. a. The state fire marshal shall establish a consumer  
14 fireworks seller license. An application for a consumer  
15 fireworks seller license shall be made on a form provided  
16 by the state fire marshal. The state fire marshal shall  
17 adopt rules consistent with this section establishing minimum  
18 requirements for a retailer or community group to be issued a  
19 consumer fireworks seller license.

20 b. A person shall possess a consumer fireworks seller  
21 license under this section in order to sell consumer fireworks.

22 3. a. The state fire marshal shall establish a fee schedule  
23 for consumer fireworks seller licenses as follows:

24 (1) For a retailer who devotes fifty percent or more of  
25 the retailer's retail floor space to the sale or display of  
26 first-class consumer fireworks, an annual fee of four hundred  
27 dollars.

28 (2) For a retailer who devotes less than fifty percent of  
29 the retailer's retail floor space to the sale or display of  
30 first-class consumer fireworks, an annual fee of two hundred  
31 dollars.

32 (3) For a community group that offers for sale, exposes for  
33 sale, or sells first-class consumer fireworks, an annual fee  
34 of two hundred dollars.

35 (4) For a retailer or community group that offers for sale,

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1 exposes for sale, or sells second-class consumer fireworks,  
2 but not first-class consumer fireworks, an annual fee of  
3 twenty-five dollars.

4     **b.** A license issued to a retailer or community group  
5 pursuant to paragraph "a", subparagraph (1), (2), or (3), shall  
6 allow the licensee to sell both first-class consumer fireworks  
7 and second-class consumer fireworks.

8     4. The state fire marshal shall adopt rules to:

9     **a.** Require that any retailer or community group offering  
10 for sale at retail any consumer fireworks, as described in APA  
11 87-1, chapter 3, shall do so in accordance with the national  
12 fire protection association standard 1124, published in the  
13 code for the manufacture, transportation, storage, and retail  
14 sales of fireworks and pyrotechnic articles, 2006 edition.

15     **b.** Require that a retailer or community group to be issued a  
16 license pursuant to this section provide proof of and maintain  
17 public liability insurance and product liability insurance  
18 with minimum per occurrence coverage of at least five million  
19 dollars.

20     **c.** Permit a retailer or community group issued a license  
21 pursuant to this section to sell consumer fireworks, as  
22 described in APA 87-1, chapter 3, at the following locations  
23 as specified:

24         (1) At a permanent building that meets the requirements of  
25 paragraph "a", year-round.

26         (2) At a temporary structure that meets the requirements of  
27 paragraph "a" between June 13 and July 11 each year.

28     **d.** A retailer or community group shall not transfer consumer  
29 fireworks, as described in APA 87-1, chapter 3, to a person who  
30 is under eighteen years of age.

31     5. **a.** The state fire marshal shall adopt rules to provide  
32 that a person's consumer fireworks seller license may be  
33 revoked for the intentional violation of this section. The  
34 proceedings for revocation shall be held before the division  
35 of the state fire marshal, which may revoke the license or

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1 licenses involved as provided in paragraph "b".

2     *b.* (1) If, upon the hearing of the order to show cause,  
3 the division of the state fire marshal finds that the licensee  
4 intentionally violated this section, then the license or  
5 licenses under which the licensed retailer or community group  
6 sells first-class consumer fireworks or second-class consumer  
7 fireworks, shall be revoked.

8     (2) Judicial review of actions of the division of the  
9 state fire marshal may be sought in accordance with the terms  
10 of the Iowa administrative procedure Act, chapter 17A. If  
11 the licensee has not filed a petition for judicial review in  
12 district court, revocation shall date from the thirty-first  
13 day following the date of the order of the division of the  
14 state fire marshal. If the licensee has filed a petition for  
15 judicial review, revocation shall date from the thirty-first  
16 day following entry of the order of the district court, if  
17 action by the district court is adverse to the licensee.

18     (3) A new license shall not be issued to a person whose  
19 license has been revoked, or to the business in control of the  
20 premises on which the violation occurred if it is established  
21 that the owner of the business had actual knowledge of the  
22 violation resulting in the license revocation, for the period  
23 of one year following the date of revocation.

24     6. *a.* A consumer fireworks seller license fee fund is  
25 created in the state treasury under the control of the state  
26 fire marshal. Notwithstanding section 12C.7, interest or  
27 earnings on moneys in the consumer fireworks seller license fee  
28 fund shall be credited to the consumer fireworks seller license  
29 fee fund. Moneys in the fund are appropriated to the state  
30 fire marshal to be used to fulfill the responsibilities of  
31 the state fire marshal for the administration and enforcement  
32 of this section and to provide grants pursuant to paragraph  
33 "b". The fund shall include the fees collected by the state  
34 fire marshal under the fee schedule established pursuant to  
35 subsection 3.

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1     *b.* The state fire marshal shall establish a local fire  
2 protection and emergency medical service providers grant  
3 program to provide grants to local fire protection service  
4 providers and local emergency medical service providers to  
5 establish or provide fireworks safety education programming  
6 to members of the public. The state fire marshal may also  
7 provide grants to local fire protection service providers and  
8 local emergency medical service providers for the purchase  
9 of necessary enforcement, protection, or emergency response  
10 equipment related to the sale and use of consumer fireworks in  
11 this state.

12     7. The state fire marshal shall adopt rules for the  
13 administration of this section.

14     8. A person who violates a provision of this section or a  
15 rule adopted pursuant to this section is guilty of a simple  
16 misdemeanor.

17     Sec. 4. Section 101A.1, subsection 3, Code 2015, is amended  
18 to read as follows:

19     3. "*Explosive*" means any chemical compound, mixture  
20 or device, the primary or common purpose of which is to  
21 function by explosion with substantially instantaneous  
22 release of gas and heat, unless such compound, mixture, or  
23 device is otherwise specifically classified by the United  
24 States department of transportation. The term "*explosive*"  
25 includes all materials which are classified as a class 1,  
26 division 1.1, 1.2, 1.3, or 1.4 explosive by the United States  
27 department of transportation, under 49 C.F.R. §173.50, and all  
28 materials classified as explosive materials under 18 U.S.C.  
29 §841, and includes, but is not limited to, dynamite, black  
30 powder, pellet powders, initiating explosives, blasting caps,  
31 electric blasting caps, safety fuse, fuse lighters, fuse  
32 igniters, squibs, cordeau detonative fuse, instantaneous fuse,  
33 igniter cord, igniters, smokeless propellant, cartridges for  
34 propellant-actuated power devices, cartridges for industrial  
35 guns, and overpressure devices, but does not include "~~fireworks~~"

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1 as "consumer fireworks", "display fireworks", or "novelties" as  
2 those terms are defined in section 727.2 or ammunition or small  
3 arms primers manufactured for use in shotguns, rifles, and  
4 pistols. Commercial explosives are those explosives which are  
5 intended to be used in commercial or industrial operations.

6 Sec. 5. Section 331.301, Code 2015, is amended by adding the  
7 following new subsection:

8 NEW SUBSECTION. 17. The board of supervisors may by  
9 resolution suspend the use of display fireworks, as described  
10 in section 727.2, if the board determines that the use of such  
11 devices would constitute a threat to public safety.

12 Sec. 6. Section 331.304, subsection 9, Code 2015, is amended  
13 to read as follows:

14 9. The board, upon application, may grant permits for the  
15 display use of display fireworks as provided in section 727.2.

16 Sec. 7. Section 364.2, Code 2015, is amended by adding the  
17 following new subsection:

18 NEW SUBSECTION. 6. A city council may by resolution suspend  
19 or limit the use of consumer fireworks, display fireworks, or  
20 novelties, as described in section 727.2, if the city council  
21 determines that the use of such devices would constitute a  
22 threat to public safety.

23 Sec. 8. Section 461A.42, subsection 2, Code 2015, is amended  
24 to read as follows:

25 2. The use of consumer fireworks or display fireworks,  
26 as defined in section 727.2, in state parks and preserves is  
27 prohibited except as authorized by a permit issued by the  
28 department. The commission shall establish, by rule adopted  
29 pursuant to chapter 17A, a fireworks permit system which  
30 authorizes the issuance of a limited number of permits to  
31 qualified persons to use or display fireworks in selected state  
32 parks and preserves.

33 Sec. 9. Section 727.2, Code 2015, is amended to read as  
34 follows:

35 **727.2 Fireworks.**

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1 1. Definitions. For purposes of this section:

2 a. "Consumer fireworks" includes first-class consumer  
3 fireworks and second-class consumer fireworks as those terms  
4 are defined in section 100.19, subsection 1.

5 b. The term "fireworks" "Display fireworks" includes any  
6 explosive composition, or combination of explosive substances,  
7 or article prepared for the purpose of producing a visible  
8 or audible effect by combustion, explosion, deflagration,  
9 or detonation, and includes blank cartridges, firecrackers,  
10 torpedoes, skyrockets, roman candles, or other fireworks of  
11 like construction and fireworks containing any explosive or  
12 flammable compound, or other device containing any explosive  
13 substance. The term "fireworks" "Display fireworks" does not  
14 include goldstar-producing sparklers on wires which contain  
15 no magnesium or chlorate or perchlorate, flitter sparklers  
16 in paper tubes that do not exceed one-eighth of an inch in  
17 diameter, toy snakes which contain no mercury, or caps used  
18 in cap pistols novelties or consumer fireworks enumerated in  
19 chapter 3 of the American pyrotechnics association's standard  
20 87-1.

21 c. "Novelties" includes all novelties enumerated in chapter  
22 3 of the American pyrotechnics association's standard 87-1, and  
23 that comply with the labeling regulations promulgated by the  
24 United States consumer product safety commission.

25 2. Display fireworks.

26 a. A person, firm, partnership, or corporation who offers  
27 for sale, exposes for sale, sells at retail, or uses or  
28 explodes any display fireworks, commits a simple misdemeanor.  
29 In addition to any other penalties, the punishment imposed  
30 for a violation of this section shall include assessment  
31 of, punishable by a fine of not less than two hundred fifty  
32 dollars. However, the a city council of a city or a county  
33 board of supervisors may, upon application in writing, grant a  
34 permit for the display of display fireworks by municipalities,  
35 fair associations, amusement parks, and other organizations

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1 or groups of individuals approved by the city or the county  
2 board of supervisors when the display fireworks ~~display~~ will  
3 be handled by a competent operator, but no such permit shall  
4 be required for the display of display fireworks at the Iowa  
5 state fairgrounds by the Iowa state fair board, at incorporated  
6 county fairs, or at district fairs receiving state aid. Sales  
7 of display fireworks for such display may be made for that  
8 purpose only.

9 b. (1) A person who uses or explodes display fireworks  
10 while the use of such devices is suspended by a resolution  
11 adopted by the county or city in which the firework is used  
12 commits a simple misdemeanor, punishable by a fine of not less  
13 than two hundred fifty dollars.

14 (2) A person who uses or explodes display fireworks while  
15 the use of such devices is suspended by an order of the state  
16 fire marshal commits a simple misdemeanor, punishable by a fine  
17 of not less than two hundred fifty dollars.

18 3. Consumer fireworks and novelties.

19 a. A person or a firm, partnership, or corporation may  
20 possess, use, or explode consumer fireworks in accordance with  
21 this subsection and subsection 4.

22 b. A person, firm, partnership, or corporation who sells  
23 consumer fireworks to a person who is less than eighteen years  
24 of age commits a simple misdemeanor, punishable by a fine of  
25 not less than two hundred fifty dollars. A person who is less  
26 than eighteen years of age who purchases consumer fireworks  
27 commits a simple misdemeanor, punishable by a fine of not less  
28 than two hundred fifty dollars.

29 c. (1) A person who uses or explodes consumer fireworks  
30 or novelties while the use of such devices is suspended by a  
31 resolution adopted by the city in which the fireworks are used  
32 commits a simple misdemeanor, punishable by a fine of not less  
33 than two hundred fifty dollars.

34 (2) A person who uses or explodes consumer fireworks or  
35 novelties while the use of such devices is suspended by an

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1 order of the state fire marshal commits a simple misdemeanor,  
2 punishable by a fine of not less than two hundred fifty  
3 dollars.

4 4. Limitations.

5 a. A person shall not use or explode consumer fireworks at  
6 times other than between the hours of 9:00 a.m. and 10:00 p.m.,  
7 except that on the following dates consumer fireworks shall not  
8 be used at times other than between the hours of 9:00 a.m. and  
9 12:30 a.m. on the immediately following day:

10 (1) Memorial Day and the Saturday and Sunday immediately  
11 preceding that day.

12 (2) July 4 and the Saturdays and Sundays immediately  
13 preceding and following July 4.

14 (3) Labor Day and the Saturday and Sunday immediately  
15 preceding that day.

16 (4) December 31 and the Saturdays and Sundays immediately  
17 preceding and following December 31.

18 b. A person shall not use consumer fireworks on real  
19 property other than that person's real property or on the real  
20 property of a person who has consented to the use of consumer  
21 fireworks on that property.

22 c. A person who violates this subsection commits a simple  
23 misdemeanor punishable by a fine of not less than fifty dollars  
24 and not more than five hundred dollars.

25 3. 5. Applicability.

26 a. This section does not prohibit the sale by a resident,  
27 dealer, manufacturer, or jobber of such fireworks as are  
28 not prohibited by this section, or the sale of any kind of  
29 fireworks if they are to be shipped out of the state, or the  
30 sale or use of blank cartridges for a show or the theater,  
31 or for signal purposes in athletic sports or by railroads  
32 or trucks, for signal purposes, or by a recognized military  
33 organization.

34 b. This section does not apply to any substance or  
35 composition prepared and sold for medicinal or fumigation

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1 purposes.

2 c. Unless specifically provided otherwise, this section does  
3 not apply to novelties.

4 Sec. 10. EFFECTIVE DATE. This Act takes effect June 1,  
5 2015.

6 EXPLANATION

7 The inclusion of this explanation does not constitute agreement with  
8 the explanation's substance by the members of the general assembly.

9 This bill provides for the legal sale and use of novelties  
10 and consumer fireworks within the state.

11 The bill provides that the state fire marshal has the duty to  
12 enforce all laws, and rules of the department of public safety  
13 concerned with the storage, transportation, handling, and use  
14 of fireworks.

15 Current law provides that a person, firm, partnership, or  
16 corporation who offers for sale, exposes for sale, sells at  
17 retail, or uses or explodes any fireworks, commits a simple  
18 misdemeanor. Current law, however, also provides that a county  
19 board of supervisors or the department of natural resources may  
20 grant a permit for the display of fireworks if the fireworks  
21 display will be handled by a competent operator. Current  
22 law further provides that the term "fireworks" includes any  
23 explosive composition, or combination of explosive substances,  
24 or article prepared for the purpose of producing a visible  
25 or audible effect by combustion, explosion, deflagration,  
26 or detonation, including blank cartridges, firecrackers,  
27 torpedoes, skyrockets, roman candles, or other fireworks of  
28 like construction and fireworks containing any explosive or  
29 flammable compound, or other device containing any explosive  
30 substance with limited exceptions.

31 The bill maintains these restrictions for display fireworks  
32 and provides that the term "display fireworks" shall not  
33 include novelties or consumer fireworks. The bill provides  
34 definitions for the terms "novelties" and "consumer fireworks".

35 The bill requires that the state fire marshal establish

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1 a consumer fireworks seller license, and requires possession  
2 of such a license to legally sell consumer fireworks in this  
3 state. The state fire marshal is required to establish a fee  
4 schedule for consumer fireworks seller licenses. The bill  
5 establishes two classes of consumer fireworks and requires  
6 a \$400 annual licensing fee for a retailer who devotes 50  
7 percent or more of the retailer's retail floor space to the  
8 sale or display of first-class consumer fireworks. Retailers  
9 who devote less than 50 percent of the retailer's retail  
10 floor space to the sale or display of first-class consumer  
11 fireworks are required to pay an annual licensing fee of \$200.  
12 A community group that sells first-class consumer fireworks  
13 is required to pay an annual licensing fee of \$200. The  
14 bill requires an annual licensing fee of \$25 for retailers  
15 or community groups that sell only second-class consumer  
16 fireworks.

17 The bill requires that the state fire marshal adopt rules  
18 to require that licensed retailers and community groups only  
19 offer consumer fireworks for sale in accordance with specified  
20 industry standards. The bill also requires that retailers and  
21 community groups provide proof of and maintain public liability  
22 and product liability insurance. Under the bill, the state  
23 fire marshal is required to adopt rules to permit licensed  
24 retailers and community groups to sell consumer fireworks at  
25 conforming permanent buildings on a year-round basis and at  
26 conforming temporary structures from June 13 to July 11 each  
27 year.

28 The bill also provides for the revocation of a consumer  
29 fireworks seller license for the intentional violation of  
30 licensing requirements. The bill establishes procedures  
31 for the revocation of such licenses and procedures for  
32 review for such revocations. The bill also establishes a  
33 consumer fireworks seller license fee fund under the control  
34 of the state fire marshal. The fund shall consist of the  
35 fees collected for the licensing of retailers and community

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1 groups. The fund is required to be used for administration  
2 and enforcement of the state fire marshal's consumer fireworks  
3 related duties and to provide grants to local fire protection  
4 and emergency medical service providers.

5 Under the bill, a violation of a licensing provision  
6 established in Code or by rule is considered a simple  
7 misdemeanor. A simple misdemeanor is punishable by confinement  
8 for no more than 30 days or a fine of at least \$65 but not more  
9 than \$625, or by both.

10 The bill provides that a person or a firm, partnership, or  
11 corporation may possess consumer fireworks as provided in the  
12 bill. The bill provides that a person, firm, partnership, or  
13 corporation who sells any consumer firework to a person who  
14 is less than 18 years of age commits a simple misdemeanor.  
15 A person who is less than 18 years of age who purchases any  
16 consumer fireworks commits a simple misdemeanor. A simple  
17 misdemeanor is generally punishable by confinement for no more  
18 than 30 days or a fine of at least \$65 but not more than \$625 or  
19 by both, but the bill provides for a fine of a least \$250.

20 The bill provides that the state fire marshal may order the  
21 suspension of the use of consumer fireworks, display fireworks,  
22 or novelties if the fire marshal determines that the use of  
23 such devices would constitute a threat to public safety. The  
24 bill also provides that a county board of supervisors may adopt  
25 a resolution to suspend the use of display fireworks upon  
26 such a determination. The bill further provides that a city  
27 council may by resolution suspend or limit the use of consumer  
28 fireworks, display fireworks, or novelties if the council  
29 determines that the use of such devices would constitute a  
30 threat to public safety. The bill provides that a person who  
31 violates such an order by the state fire marshal or resolution  
32 of a county board of supervisors or a city council commits  
33 a simple misdemeanor, punishable by a fine of at least \$250.  
34 The bill also makes conforming charges related to the use of  
35 fireworks in state parks and preserves.

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1     The bill also provides certain restrictions on the use  
2 or explosion of consumer fireworks. The bill prohibits the  
3 use or explosion of consumer fireworks at a time other than  
4 between the hours of 9:00 a.m. and 10:00 p.m., except on  
5 Memorial Day, the 4th of July, Labor Day, and New Year's Eve,  
6 and weekend days near such holidays. On specified days, the  
7 use or explosion of consumer fireworks is prohibited except  
8 between the hours of 9:00 a.m. and 12:30 a.m. on the following  
9 day. The bill further prohibits the use of fireworks by a  
10 person on the real property of another person unless the owner  
11 of the real property has consented to such use. Under the  
12 bill, a violation of these restrictions is considered a simple  
13 misdemeanor punishable by a fine of not less than \$50 and not  
14 more than \$500.  
15     The bill will take effect June 1, 2015.



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**House File 615 - Introduced**

HOUSE FILE 615  
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 557)  
(SUCCESSOR TO HF 249)

**A BILL FOR**

1 An Act relating to the establishment, operation, and  
2 dissolution of rural improvement zones.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 357H.1, subsection 1, Code 2015, is  
2 amended to read as follows:

3 1. The board of supervisors of a county with less than  
4 twenty thousand residents, not counting persons admitted or  
5 committed to an institution enumerated in section 218.1 or  
6 904.102, based upon the ~~2000~~ most recent certified federal  
7 census, and with a private lake development ~~shall~~ may designate  
8 an area surrounding the lake, if it is an unincorporated  
9 area of the county, a rural improvement zone upon receipt of  
10 a petition pursuant to section 357H.2, and upon the board's  
11 determination that the area is in need of improvements.

12 Sec. 2. Section 357H.1, subsection 2, paragraph b, Code  
13 2015, is amended to read as follows:

14 b. "*Improvements*" means dredging, installation of erosion  
15 control measures, water quality activities, land acquisition,  
16 and related improvements, including soil conservation  
17 practices, within or outside of the boundaries of the zone.

18 Sec. 3. Section 357H.1, subsection 2, Code 2015, is amended  
19 by adding the following new paragraphs:

20 NEW PARAGRAPH. c. "Lake" means a body of water that is  
21 located entirely in a single county and that has a surface area  
22 of at least eighty acres.

23 NEW PARAGRAPH. d. "Water quality activities" includes but  
24 is not limited to creation or maintenance of grass waterways or  
25 wetlands, bank stabilization, watershed protection, activities  
26 on lands outside the rural improvement zone which affect water  
27 quality within the zone, and any other activity which will  
28 improve water quality of a stream, river, or lake.

29 Sec. 4. Section 357H.2, subsection 1, paragraph a, Code  
30 2015, is amended to read as follows:

31 a. The need for the proposed zone, which shall be based  
32 upon a report of a licensed professional engineer prepared not  
33 more than two years before the date the petition is filed, and  
34 that includes all of the following:

35 (1) Surface area of the lake in acres.

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1     (2) Number of acres of land comprising the lake's watershed.

2     (3) Soil classification of the land comprising the lake's  
3 watershed.

4     (4) Description of all current land uses within the lake's  
5 watershed.

6     (5) Estimate of historical annual silt accumulation for the  
7 lake during the twenty years immediately preceding the year in  
8 which the engineer's report was completed.

9     (6) Estimate of the amount of silt currently accumulated in  
10 the lake.

11    (7) Estimates of annual silt accumulation in the lake for  
12 the twenty-year period following establishment of the rural  
13 improvement zone.

14    (8) Estimate of remaining space available to the proposed  
15 zone in existing detention basins for storage of dredged and  
16 removed silt.

17    (9) Estimate of storage space that will be required to store  
18 dredged and removed silt from the lake for the twenty-year  
19 period following establishment of the rural improvement zone.

20    (10) Assessment of the current water quality of the lake.

21    (11) Assessment of the current need for preventative  
22 practices to improve the water quality of the lake.

23    (12) Assessment of the impact preventative practices will  
24 have on the water quality of the lake.

25    (13) Estimate of the cost to effectively address erosion  
26 control and water quality for the twenty-year period following  
27 establishment of the rural improvement zone.

28    Sec. 5. Section 357H.2, Code 2015, is amended by adding the  
29 following new subsection:

30    NEW SUBSECTION. 1A. A copy of the report prepared by the  
31 licensed professional engineer and used to prepare the petition  
32 shall be submitted with the petition under this section.

33    Sec. 6. Section 357H.3, Code 2015, is amended to read as  
34 follows:

35    **357H.3 Time of public hearing.**

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1     1. The If the petition substantially meets the requirements  
2 of section 357H.2, the public hearing required in section  
3 357H.2 shall be held within ~~thirty~~ sixty days of the  
4 presentation of the petition. Notice of hearing shall be  
5 given by publication as provided in section 331.305. Holding  
6 a public hearing pursuant to this section is not dispositive  
7 of the approval or denial of a petition by the board under this  
8 chapter.

9     2. If the board determines that the petition or the  
10 engineer's report does not substantially meet the requirements  
11 of section 357H.2, the board may, within thirty days of  
12 presentation of the petition, request additional information  
13 from the petitioners. The board's request for additional  
14 information shall be limited to the information required under  
15 section 357H.2 that was not contained in the petition or the  
16 accompanying engineer's report. The board shall be limited to  
17 one request for additional information under this section. The  
18 public hearing required in section 357H.2 shall be held within  
19 sixty days of receiving the additional information. Notice of  
20 hearing shall be given in the same manner as required under  
21 subsection 1.

22     Sec. 7. Section 357H.4, Code 2015, is amended to read as  
23 follows:

24     **357H.4 Hearing on petition — action by board.**

25     1. At the public hearing ~~required in section 357H.3,~~  
26 the board may consider the boundaries of a proposed rural  
27 improvement zone, whether the boundaries shall be as described  
28 in the petition or otherwise, and for that purpose may amend  
29 the petition and change the boundaries of the proposed zone as  
30 stated in the petition. The board may adjust the boundaries  
31 of a proposed zone as needed to exclude land that has no  
32 reasonable likelihood of benefit from inclusion in a rural  
33 improvement zone. However, the boundaries of a proposed zone  
34 shall not be changed to incorporate property which is not  
35 included in the original petition.

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1     2. Within ~~ten~~ thirty days after the hearing, the board shall  
2 establish the rural improvement zone by resolution or disallow  
3 the petition. However, the zone shall not include any area  
4 which is part of an urban renewal area under chapter 403.

5     Sec. 8. Section 357H.8, subsection 2, Code 2015, is amended  
6 to read as follows:

7     2. Certificates may be issued with respect to a single  
8 improvement project or multiple projects and may contain  
9 terms or conditions as the board of trustees may provide by  
10 resolution authorizing the issuance of the certificates.  
11 However, certificates, including certificates to refund  
12 outstanding certificates under subsection 3, shall not  
13 be issued after January 1, 2007, except to refund other  
14 certificates as provided in subsection 3 if the maturity  
15 date of the certificates would be after the date the rural  
16 improvement zone is, at the time of issuing the certificates,  
17 to be dissolved by law under section 357H.10.

18     Sec. 9. Section 357H.9, subsection 1, Code 2015, is amended  
19 to read as follows:

20     1. a. The board of trustees shall provide by resolution  
21 that taxes levied on the taxable property in a rural  
22 improvement zone each year by or for the benefit of the state,  
23 city, county, school district, or other taxing district after  
24 the effective date of the resolution shall, except as provided  
25 in this section, be divided as provided in section 403.19,  
26 subsections 1 and 2, in the same manner as if the taxable  
27 property in the rural improvement zone was taxable property  
28 in an urban renewal area and the resolution was an ordinance  
29 within the meaning of those subsections. The taxes received by  
30 the board of trustees shall be allocated to, and when collected  
31 be paid into, a special fund and may be irrevocably pledged  
32 by the trustees to pay the principal of and interest on the  
33 certificates, contracts, or other obligations approved by the  
34 board of trustees to finance or refinance, in whole or in part,  
35 an improvement project.

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1     b. (1) For fiscal years beginning on or after July 1, 2016,  
2 when calculating the amount of taxes subject to the division of  
3 taxes in a rural improvement zone established on or after July  
4 1, 2004, if the assessed value of the taxable property in the  
5 rural improvement zone used to calculate the amount of taxes  
6 under section 403.19, subsection 1, is less than the greater of  
7 the base year taxable value and fifty percent of the assessed  
8 value of the taxable property in the rural improvement zone  
9 used to calculate the total amount of property taxes in the  
10 rural improvement zone for the fiscal year in which the taxes  
11 are due and payable, the assessed value used to calculate the  
12 amount of taxes under section 403.19, subsection 1, shall be  
13 increased for that fiscal year until the amount is equal to the  
14 greater of the base year taxable value and fifty percent of the  
15 assessed value used to calculate the total amount of property  
16 taxes in the rural improvement zone for the fiscal year in  
17 which the taxes are due and payable.

18     (2) However, for the period of ten consecutive fiscal  
19 years beginning with the first fiscal year in which the zone  
20 receives revenue from a division of taxes under this section,  
21 the division of taxes authorized under this section shall be  
22 calculated subject to the provisions of subparagraph (1),  
23 except that any references to fifty percent in subparagraph (1)  
24 shall be forty percent.

25     c. For fiscal years beginning on or after July 1, 2016,  
26 when calculating the amount of taxes subject to the division  
27 of taxes in a rural improvement zone established before July  
28 1, 2004, if the assessed value of the taxable property in the  
29 rural improvement zone used to calculate the amount of taxes  
30 under section 403.19, subsection 1, is less than the greater of  
31 the base year taxable value and sixty percent of the assessed  
32 value of the taxable property in the rural improvement zone  
33 used to calculate the total amount of property taxes in the  
34 rural improvement zone for the fiscal year in which the taxes  
35 are due and payable, the assessed value used to calculate the

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1 amount of taxes under section 403.19, subsection 1, shall be  
2 increased for that fiscal year until the amount is equal to the  
3 greater of the base year taxable value and sixty percent of the  
4 assessed value used to calculate the total amount of property  
5 taxes in the rural improvement zone for the fiscal year in  
6 which the taxes are due and payable.

7 d. (1) In lieu of the valuation adjustments required under  
8 section 403.20, this paragraph "d" shall be used in determining  
9 the assessed value of property within a rural improvement zone  
10 that is subject to a division of taxes in the manner provided  
11 in section 403.19.

12 (2) The difference between the actual value of the property  
13 as determined by the assessor each year and the percentage of  
14 adjustment certified for that year by the director of revenue  
15 on or before November 1 pursuant to section 441.21, subsection  
16 9, multiplied by the actual value of the property as determined  
17 by the assessor, shall be subtracted from the actual value  
18 of the property as determined pursuant to section 403.19,  
19 subsection 1.

20 (3) If the assessed value of the property as determined  
21 pursuant to section 403.19, subsection 1, is reduced to  
22 zero due to the reduction under subparagraph (2), or if the  
23 reduction in the assessed value is limited by operation of  
24 paragraph "b" or "c", the additional valuation reduction  
25 shall be subtracted from the actual value of the property as  
26 determined by the assessor.

27 (4) If the actual value of the property as determined  
28 by the assessor is reduced to zero due to the reduction  
29 under subparagraph (3), the remaining valuation reduction,  
30 notwithstanding the limitation in paragraph "b" or "c", shall  
31 be subtracted from the assessed value of the property as  
32 determined pursuant to section 403.19, subsection 1.

33 e. The board of trustees may enter into an agreement  
34 with the board that modifies the allocation of the taxes  
35 levied in the rural improvement zone. Such an agreement

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1 shall not, however, provide an allocation to the other taxing  
2 districts that is less than the amount of taxes resulting from  
3 application of paragraph "b" or "c", as applicable.

4 f. As used in this section, "taxes":

5 (1) "Base year taxable value" means the actual value of  
6 the property as determined in section 403.19, subsection 1,  
7 multiplied by the percentage of adjustment certified for the  
8 assessment year specified in section 403.19, subsection 1, by  
9 the director of revenue on or before November 1 pursuant to  
10 section 441.21, subsection 9.

11 (2) "Taxes" includes but is not limited to all levies on  
12 an ad valorem basis upon land or real property located in the  
13 rural improvement zone.

14 Sec. 10. Section 357H.9, subsection 2, paragraph a, Code  
15 2015, is amended to read as follows:

16 a. Each board of trustees that has by resolution provided  
17 for a division of ~~revenue~~ taxes in the rural improvement zone  
18 during the most recently ended fiscal year shall complete  
19 and file with the department of management a tax increment  
20 financing report by December 1 following the end of such  
21 fiscal year. The report shall be approved by the affirmative  
22 vote of a majority of the board of trustees and be prepared  
23 in the format and submitted electronically pursuant to the  
24 instructions prescribed by the department of management in  
25 consultation with the legislative services agency.

26 Sec. 11. NEW SECTION. 357H.9A Annual financial report —  
27 audit.

28 1. Not later than December 1 of each year on forms and  
29 pursuant to the instructions prescribed by the department  
30 of management, the board of trustees shall file with the  
31 county auditor an annual financial report showing the rural  
32 improvement zone's financial condition as of June 30 and the  
33 results of operations for the year then ended.

34 2. A rural improvement zone is subject to annual audit by  
35 the auditor of state. In lieu of an audit by the auditor of

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1 state, the rural improvement zone may contract with or employ  
2 a certified public accountant to conduct the audit pursuant  
3 to the applicable terms and conditions prescribed by sections  
4 11.6, 11.14, 11.19, and 11.41. The audit format shall be as  
5 prescribed by the auditor of state. The rural improvement zone  
6 shall pay all expenses incurred by the auditor of state in  
7 conducting an audit under this section.

8 Sec. 12. Section 357H.10, Code 2015, is amended to read as  
9 follows:

10 **357H.10 Dissolution of zone.**

11 1. The Prior to the date required for dissolution under  
12 subsection 2, a rural improvement zone ~~shall~~ may be dissolved  
13 upon the adoption of a resolution of the board of trustees  
14 which specifies that all improvements have been made in the  
15 zone, the need for the zone, as identified under section  
16 357H.2, subsection 1, has been satisfied, and all indebtedness  
17 has been paid.

18 2. a. Unless dissolved by resolution of the board of  
19 trustees under subsection 1, or an extension is approved under  
20 paragraph "b", each rural improvement zone is dissolved on June  
21 30, 2019, or twenty years after the first day of the fiscal  
22 year following the fiscal year in which the zone first receives  
23 revenue from the division of taxes under section 357H.9,  
24 whichever date is later.

25 b. The date required under this subsection for dissolution  
26 of a rural improvement zone may be extended by resolution of  
27 the board adopted prior to the date required for dissolution  
28 under paragraph "a" or a date prior to the date to which  
29 the rural improvement zone was previously extended by the  
30 board under this paragraph "b" or by operation of law under  
31 subparagraph (1). Each extension approved by the board under  
32 this paragraph "b" shall be for a period of twenty years. Prior  
33 to approval of an extension by the board under this paragraph  
34 "b", all of the following requirements shall be met:

35 (1) Not more than forty-eight months nor less than

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1 thirty-six months prior to the date required for dissolution,  
2 the board of trustees shall file a written request with the  
3 board for an extension of the zone's dissolution date. The  
4 request shall state the improvements needed in the rural  
5 improvement zone beyond the dissolution date otherwise required  
6 under this section. The board shall, within ninety days after  
7 receiving the request, either adopt a resolution granting the  
8 twenty-year extension without further proceedings or notify the  
9 board of trustees in writing of the board's intent to review  
10 the zone's dissolution date under subparagraphs (2) through  
11 (4). The board may, as part of its notice to the board of  
12 trustees, request a report prepared by a licensed professional  
13 engineer containing all of the information required under  
14 section 357H.2, subsection 1. If the board fails to either  
15 approve the extension by resolution or notify the board of  
16 trustees of the board's intent to review the zone's dissolution  
17 date under subparagraphs (2) through (4) within the ninety-day  
18 period, the request for a twenty-year extension shall be deemed  
19 approved.

20 (2) Following receipt of the board's notice of intent to  
21 review and not less than twenty-four months prior to the date  
22 required for dissolution, the board of trustees shall, if  
23 requested by the board under subparagraph (1), submit to the  
24 board a report prepared by a licensed professional engineer  
25 that includes the information required under section 357H.2,  
26 subsection 1, paragraph "a". If the board determined that the  
27 engineer's report does not substantially meet the requirements  
28 of section 357H.2 or that additional relevant information is  
29 needed, the board may, within thirty days of the date the  
30 request was filed under subparagraph (1), request additional  
31 information from the board of trustees. The board shall be  
32 limited to one request for additional information.

33 (3) Not more than sixty days after receiving the engineer's  
34 report required or the additional information requested under  
35 subparagraph (2), whichever is later, the board shall hold a

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1 public hearing to determine the need for improvements in the  
2 rural improvement zone. Notice of hearing shall be given by  
3 publication as provided in section 331.305. Holding a public  
4 hearing pursuant to this subparagraph is not dispositive of  
5 the approval or denial of a request for an extension of the  
6 dissolution date by the board under this chapter.

7 (4) Within thirty days after the public hearing, the  
8 board shall either find a need for improvements in the  
9 rural improvement zone and adopt a resolution approving the  
10 twenty-year extension or find that the area is no longer in  
11 need of improvements. If the board fails to either approve or  
12 deny the extension within the thirty-day period, the request  
13 for a twenty-year extension is deemed approved.

14 3. Upon dissolution of the zone, all assets shall be deeded  
15 or otherwise transferred to a nonprofit corporation whose  
16 members are property owners of the improvement zone.

17 4. Upon dissolution of the zone, the collection of the  
18 property tax authorized under section 357H.8, subsection 4, and  
19 the division of taxes authorized under section 357H.9 shall  
20 cease immediately.

21 Sec. 13. NEW SECTION. 357H.11 Agreements.

22 Any agreement or other instrument in connection with an  
23 agreement between a board of trustees and a board in effect on  
24 July 1, 2015, relating to the division of taxes under section  
25 357H.9, the dissolution date of a rural improvement zone, or  
26 the criteria used for determining the need for improvements  
27 in the rural improvement zone that is inconsistent with this  
28 chapter shall be null and void. However, nothing in this  
29 chapter shall be construed to prohibit the board of trustees  
30 and the board from entering into an agreement on or after  
31 July 1, 2015, relating to the division of taxes under section  
32 357H.9, the dissolution date of the rural improvement zone, or  
33 the criteria used for determining the need for improvements in  
34 the rural improvement zone, so long as such agreement does not  
35 violate the provisions of this chapter.

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1 EXPLANATION

2 The inclusion of this explanation does not constitute agreement with  
3 the explanation's substance by the members of the general assembly.

4 This bill relates to the establishment, operation, and  
5 dissolution of rural improvement zones under Code chapter 357H.

6 Current law provides that the population threshold for  
7 establishing a rural improvement zone is determined using  
8 the 2000 certified federal census. The bill changes that  
9 requirement so that the population is determined using the most  
10 recent certified federal census.

11 Current Code section 357H.1 provides that a board of  
12 supervisors of a county meeting specified population  
13 requirements shall designate an area surrounding the lake, if  
14 it is an unincorporated area of the county, a rural improvement  
15 zone upon receipt of a petition, and upon the board's  
16 determination that the area is in need of improvements. This  
17 bill strikes "shall" from that provision and inserts "may".

18 The bill also adds a definition of "lake" for purposes of  
19 determining eligibility to establish a rural improvement zone.  
20 The bill defines "lake" to mean a body of water that is located  
21 entirely in a single county and that has a surface area of at  
22 least 80 acres.

23 The bill adds water quality activities to the definition  
24 of "improvements". Under Code chapter 357H, the board of  
25 trustees may authorize construction, reconstruction, or repair  
26 of improvements for the rural improvement zone. Under the  
27 bill, "water quality activities" includes but is not limited  
28 to creation or maintenance of grass waterways or wetlands,  
29 bank stabilization, watershed protection, activities on lands  
30 outside the rural improvement zone which affect water quality  
31 within the zone, and any other activity which will improve  
32 water quality of a stream, river, or lake.

33 The bill provides that as part of the approval process for a  
34 rural improvement zone, the petition must include a statement  
35 of the need for the proposed zone based upon a report prepared

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1 by a licensed professional engineer. The report utilized  
2 in preparing the petition must have been prepared not more  
3 than two years before the date the petition is filed. The  
4 information required to be included in the engineer's report  
5 relates to the size of the lake, soil classification, silt  
6 accumulation data and estimates, water quality assessments,  
7 and cost estimates. The bill requires a copy of the report  
8 prepared by the licensed professional engineer and used to  
9 prepare the petition to be submitted with the petition.

10 The bill changes the period of time required for holding  
11 a public hearing on the petition from within 30 days of  
12 presentation of the petition to within 60 days. The bill  
13 specifies that holding a public hearing relating to the  
14 establishment of a rural improvement zone is not dispositive  
15 of the approval or denial of a petition by the board. In  
16 addition, the bill provides that if the board of supervisors  
17 determines that the petition or the engineer's report does  
18 not substantially meet the statutory requirements, the  
19 board may, within 30 days of presentation of the petition,  
20 request additional information from the petitioners. The  
21 board's request for additional information is limited to the  
22 statutorily required information that was not contained in the  
23 petition or in the accompanying engineer's report. The bill  
24 limits the board to one request for additional information.  
25 Upon presentation of the additional information, the public  
26 hearing must be held within 60 days of receiving the additional  
27 information.

28 Current law requires that the board either establish the  
29 rural improvement zone by resolution or disallow the petition  
30 within 10 days after the required public hearing. The bill  
31 changes that period of time to 30 days.

32 The bill strikes the provision which prohibited the issuance  
33 of certificates for the payment of a rural improvement zone's  
34 improvements and activities after January 1, 2007, and provides  
35 that such certificates, including certificates to refund

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1 outstanding certificates, may not be issued if the maturity  
2 date of the certificates would be after the date the rural  
3 improvement zone is to be dissolved, as provided by the bill.  
4 Current Code section 357H.9 authorizes rural improvement  
5 zones to authorize the use of taxes from a division of taxes  
6 (tax increment financing). The bill provides that for fiscal  
7 years beginning on or after July 1, 2016, when calculating  
8 the amount of taxes subject to the division of taxes in a  
9 rural improvement zone established on or after July 1, 2004,  
10 if the assessed value of the taxable property in the rural  
11 improvement zone used to calculate the amount of taxes under  
12 Code section 403.19(1) is less than the greater of the base  
13 year taxable value and 50 percent of the assessed value used  
14 to calculate the total amount of property taxes in the rural  
15 improvement zone for the fiscal year in which the taxes are due  
16 and payable, the assessed value used to calculate the amount  
17 of taxes under Code section 403.19(1) shall be increased for  
18 that fiscal year until the amount is equal to the greater of  
19 the base year taxable value and 50 percent of the assessed  
20 value used to calculate the total amount of property taxes  
21 in the rural improvement zone for the fiscal year in which  
22 the taxes are due and payable. However, for the period of 10  
23 consecutive fiscal years beginning with the first fiscal year  
24 in which those zones established on or after July 1, 2014,  
25 receive revenue from a division of taxes, the division of taxes  
26 is subject to the assessed value adjustment in the bill, except  
27 that any references to 50 percent shall be 40 percent.  
28 The bill also provides that for fiscal years beginning on  
29 or after July 1, 2016, when calculating the amount of taxes  
30 subject to the division of taxes in a rural improvement zone  
31 established before July 1, 2004, if the assessed value of  
32 the taxable property in the rural improvement zone used to  
33 calculate the amount of taxes under Code section 403.19(1)  
34 is less than the greater of the base year taxable value and  
35 60 percent of the assessed value used to calculate the total

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1 amount of property taxes in the rural improvement zone for  
2 the fiscal year in which the taxes are due and payable, the  
3 assessed value used to calculate the amount of taxes under  
4 Code section 403.19(1) shall be increased for that fiscal  
5 year until the amount is equal to the greater of the base  
6 year taxable value and 60 percent of the assessed value used  
7 to calculate the total amount of property taxes in the rural  
8 improvement zone for the fiscal year in which the taxes are due  
9 and payable.

10 The bill defines "base year taxable value" to mean the actual  
11 value of the property as determined in Code section 403.19(1)  
12 multiplied by the percentage of adjustment (rollback) certified  
13 for the assessment year specified in Code section 403.19(1).

14 The bill also provides that in lieu of the valuation  
15 adjustments required under current law pursuant to Code  
16 section 403.20, new Code section 357H.9(1)(d) is to be used  
17 in determining the assessed value of property within a rural  
18 improvement zone that is subject to a division of taxes and  
19 allocation of the amount of reduction in value of property  
20 within the rural improvement zone due to assessment limitations  
21 (rollback).

22 The bill authorizes the board of trustees to enter into  
23 an agreement with the board of supervisors that modifies the  
24 allocation of the taxes levied in the rural improvement zone.  
25 Such an agreement shall not, however, provide an allocation  
26 to the other taxing districts that is less than the amount of  
27 taxes resulting from application of assessed value adjustments  
28 required in the bill.

29 The bill provides that not later than December 1 of each  
30 year the board of trustees of a zone shall file with the  
31 county auditor an annual financial report showing the rural  
32 improvement zone's financial condition as of June 30 and the  
33 results of operations for the year then ended. The bill also  
34 provides that all rural improvement zones are subject to annual  
35 audit either by the auditor of state or by a certified public

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1 accountant contracted with or employed by the rural improvement  
2 zone to conduct the audit.

3     The bill provides that, unless dissolved by resolution of  
4 the board of trustees, each rural improvement zone is dissolved  
5 on June 30, 2019, or 20 years from the first day of the fiscal  
6 year following the fiscal year in which the zone first receives  
7 revenue from the division of taxes, whichever is later. The  
8 bill further provides that the date required for dissolution  
9 may be extended by resolution of the board of supervisors  
10 adopted prior to the date required for dissolution or prior to  
11 the date to which the rural improvement zone was previously  
12 extended by the board of supervisors under the provisions of  
13 the bill. Each extension shall be for a period of 20 years.

14     The bill updates language relating to the disposition of  
15 property upon dissolution of the zone and specifies that any  
16 collection of, or division of, property taxes under Code  
17 chapter 357H ceases immediately upon dissolution of the zone.

18     Under the bill, the rural improvement zone's board of  
19 trustees must file a written request with the board of  
20 supervisors requesting an extension of the dissolution date.  
21 The request must state the improvements needed in the zone  
22 beyond the dissolution date otherwise required by the bill.  
23 Within 90 days after receiving the request, the board of  
24 supervisors must either adopt a resolution granting the 20-year  
25 extension without further proceedings, or notify the board of  
26 trustees in writing of the board's intent to review the zone's  
27 dissolution date. The board may, as part of its notice to the  
28 board of trustees, request a report prepared by a licensed  
29 professional engineer. If the board fails to either approve  
30 the extension by resolution or notify the board of trustees of  
31 the board's intent to review the zone's dissolution date within  
32 the 90-day period, the request for a 20-year extension is  
33 deemed approved. The board of supervisors requests additional  
34 information from the board of trustees. As part of the  
35 board of supervisors' further review of the request, a public

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1 hearing must be held within the period of time specified in  
2 the bill. Within 30 days after the public hearing, the board  
3 of supervisors is required to either find a continued need for  
4 the rural improvement zone and adopt a resolution approving the  
5 20-year extension or find that the continued operation of the  
6 rural improvement zone is not necessary and deny the request  
7 for an extension. If the board fails to either approve or  
8 deny the extension within the specified period of time after  
9 the hearing, the request for a 20-year extension is deemed  
10 approved.

11 The bill provides that any agreement or other instrument in  
12 connection with an agreement between a board of trustees and  
13 a board in effect on July 1, 2015, relating to the division of  
14 taxes, the dissolution date of a rural improvement zone, or  
15 the criteria used for determining the need for improvements in  
16 the rural improvement zone that is inconsistent with this Code  
17 chapter shall be null and void. However, the bill provides  
18 that nothing in Code chapter 357H shall be construed to  
19 prohibit the board of trustees and the board from entering into  
20 an agreement on or after July 1, 2015, relating to the division  
21 of taxes, the dissolution date of the rural improvement zone,  
22 or the criteria used for determining the need for improvements  
23 in the rural improvement zone, so long as such agreement does  
24 not violate the provisions of Code chapter 357H.



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**House File 616 - Introduced**

HOUSE FILE 616  
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 192)  
(SUCCESSOR TO HSB 29)

**A BILL FOR**

1 An Act relating to property tax credits and assessment by  
2 modifying filing deadline provisions, modifying requirements  
3 relating to property assessment notices and equalization  
4 order notices, modifying provisions relating to property  
5 assessment protests and assessor informal reviews, and  
6 including effective date and applicability provisions.  
7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 426C.3, subsection 2, paragraph a, Code  
2 2015, is amended to read as follows:

3 a. (1) Claims for the business property tax credit against  
4 taxes due and payable in fiscal years beginning before July  
5 1, 2016, shall be filed not later than March 15 preceding the  
6 fiscal year during which the taxes for which the credit is  
7 claimed are due and payable.

8 (2) Claims for the business property tax credit against  
9 taxes due and payable in fiscal years beginning on or after  
10 July 1, 2016, shall be filed not later than July 1 preceding  
11 the fiscal year during which the taxes for which the credit is  
12 claimed are due and payable.

13 Sec. 2. Section 441.26, subsection 1, Code 2015, is amended  
14 to read as follows:

15 1. The director of revenue shall each year prescribe  
16 the form of assessment roll to be used by all assessors in  
17 assessing property, in this state, also the form of pages of  
18 the assessor's assessment book. The assessment rolls shall  
19 be in a form that will permit entering, separately, the names  
20 of all persons assessed, and shall also contain a notice in  
21 substantially the following form:

22 If you are not satisfied that the foregoing assessment is  
23 correct, you may contact the assessor on or after April ~~1~~ 2,  
24 to and including ~~May 4~~ April 25, of the year of the assessment  
25 to request an informal review of the assessment pursuant to  
26 section 441.30.

27 If you are not satisfied that the foregoing assessment is  
28 correct, you may file a protest against such assessment with  
29 the board of review on or after April ~~7~~ 2, to and including ~~May~~  
30 ~~5~~ April 30, of the year of the assessment, such protest to be  
31 confined to the grounds specified in section 441.37.

32 Dated: .. day of ... (month), .. (year)

33 .....

34 County/City Assessor.

35 Sec. 3. Section 441.26, subsection 2, Code 2015, is amended

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1 to read as follows:

2 2. The notice in ~~1981~~ and each odd-numbered year thereafter  
3 shall contain a statement that the assessments are subject  
4 to equalization pursuant to an order issued by the director  
5 of revenue, that the county auditor shall give notice on or  
6 before October ~~15~~ 8 by publication in an official newspaper of  
7 general circulation to any class of property affected by the  
8 equalization order, that the county auditor shall give notice  
9 by mail postmarked on or before October 8 to each property  
10 owner or taxpayer whose valuation has been increased by the  
11 equalization order, and that the board of review shall be in  
12 session from October ~~15~~ 10 to November 15 to hear protests of  
13 affected property owners or taxpayers whose valuations have  
14 been adjusted by the equalization order.

15 Sec. 4. Section 441.28, Code 2015, is amended to read as  
16 follows:

17 **441.28 Assessment rolls — change — notice to taxpayer.**

18 The assessment shall be completed not later than April 1 each  
19 year. If the assessor makes any change in an assessment after  
20 it has been entered on the assessor's rolls, the assessor shall  
21 note on the roll, together with the original assessment, the  
22 new assessment and the reason for the change, together with the  
23 assessor's signature and the date of the change. Provided,  
24 however, in the event the assessor increases any assessment the  
25 assessor shall give notice of the increase in writing to the  
26 taxpayer by mail postmarked no later than April 1. No changes  
27 shall be made on the assessment rolls after April 1 except by  
28 written agreement of the taxpayer and assessor under section  
29 441.30, by order of the board of review or of the property  
30 assessment appeal board, or by decree of court.

31 Sec. 5. Section 441.30, subsections 1 and 2, Code 2015, are  
32 amended to read as follows:

33 1. Any property owner or aggrieved taxpayer who is  
34 dissatisfied with the owner's or taxpayer's assessment may  
35 contact the assessor by telephone or in writing by paper or

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1 electronic medium on or after April 1 ~~2~~, to and including May  
2 4 April 25, of the year of the assessment to inquire about the  
3 specifics and accuracy of the assessment. Such an inquiry may  
4 also include a request for an informal review of the assessment  
5 by the assessor under one or more of the grounds for protest  
6 authorized under section 441.37 for the same assessment year.

7 2. In response to an inquiry under subsection 1, if the  
8 assessor, following an informal review, determines that the  
9 assessment was incorrect under one or more of the grounds for  
10 protest authorized under section 441.37 for the same assessment  
11 year, the assessor may, on or before April 25, recommend that  
12 the property owner or aggrieved taxpayer file a protest with  
13 the local board of review and may file a recommendation with  
14 the local board of review related to the informal review, or  
15 may enter into a signed written agreement with the property  
16 owner or aggrieved taxpayer authorizing the assessor to correct  
17 or modify the assessment according to the agreement of the  
18 parties.

19 Sec. 6. Section 441.35, subsection 2, Code 2015, is amended  
20 to read as follows:

21 2. In any year after the year in which an assessment has  
22 been made of all of the real estate in any taxing district, the  
23 board of review shall meet as provided in section 441.33, and  
24 where the board finds the same has changed in value, the board  
25 shall revalue and reassess any part or all of the real estate  
26 contained in such taxing district, and in such case, the board  
27 shall determine the actual value as of January 1 of the year  
28 of the revaluation and reassessment and compute the taxable  
29 value thereof. If the assessment of any such property is  
30 raised, or any property is added to the tax list by the board,  
31 the clerk shall give notice in the manner provided in section  
32 441.36. ~~However, if the assessment of~~ If all property in any  
33 taxing district is ~~raised~~ revalued and reassessed, the board  
34 may shall, in addition to notices required to be provided in  
35 the manner specified in section 441.36, instruct the clerk to

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1 give immediate notice by one publication in one of the official  
2 newspapers located in the taxing district, ~~and such published~~  
3 ~~notice shall take the place of the mailed notice provided for~~  
4 ~~in section 441.36, but all other provisions of that section~~  
5 ~~shall apply.~~ The decision of the board as to the foregoing  
6 matters shall be subject to appeal to the property assessment  
7 appeal board within the same time and in the same manner as  
8 provided in section 441.37A and to the district court within  
9 the same time and in the same manner as provided in section  
10 441.38.

11 Sec. 7. Section 441.37, subsection 1, paragraph a,  
12 unnumbered paragraph 1, Code 2015, is amended to read as  
13 follows:

14 Any property owner or aggrieved taxpayer who is dissatisfied  
15 with the owner's or taxpayer's assessment may file a protest  
16 against such assessment with the board of review on or after  
17 April 7 2, to and including ~~May 5~~ April 30, of the year of the  
18 assessment. In any county which has been declared to be a  
19 disaster area by proper federal authorities after March 1 and  
20 prior to May 20 of said year of assessment, the board of review  
21 shall be authorized to remain in session until June 15 and the  
22 time for filing a protest shall be extended to and include the  
23 period from May 25 to June 5 of such year. The protest shall  
24 be in writing and, except as provided in subsection 3, signed  
25 by the one protesting or by the protester's duly authorized  
26 agent. The taxpayer may have an oral hearing on the protest if  
27 the request for the oral hearing is made in writing at the time  
28 of filing the protest. The protest must be confined to one or  
29 more of the following grounds:

30 Sec. 8. Section 441.37, subsection 3, Code 2015, is amended  
31 to read as follows:

32 3. For assessment years beginning on or after January  
33 1, 2014, the board of review may allow property owners or  
34 aggrieved taxpayers who are dissatisfied with the owner's or  
35 taxpayer's assessment to file a protest against such assessment

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1 by electronic means. Electronic filing of assessment protests  
2 may be authorized for the protest period that begins April  
3 7 2, the protest period that begins October ~~15~~ 9, or both.  
4 Except for the requirement that a protest be signed, all other  
5 requirements of this section for an assessment protest to the  
6 board of review shall apply to a protest filed electronically.  
7 If electronic filing is authorized by the local board of  
8 review, the availability of electronic filing shall be clearly  
9 indicated on the assessment roll notice provided to the  
10 property owner or taxpayer and included in both the published  
11 equalization order notice and the equalization order notice  
12 mailed to the property owner or taxpayer if applicable.

13 Sec. 9. Section 441.49, subsections 2 and 4, Code 2015, are  
14 amended to read as follows:

15 2. a. On or before October ~~15~~ 8 the county auditor shall  
16 cause to be published in official newspapers of general  
17 circulation the final equalization order. The county auditor  
18 shall also notify each property owner or taxpayer whose  
19 valuation has been increased by the final equalization order  
20 by mail postmarked on or before October 8. The publication  
21 and the individual notice mailed to each property owner or  
22 taxpayer whose valuation has been increased shall include, in  
23 type larger than the remainder of the publication or notice,  
24 the following ~~statement~~ statements:

25 Assessed values are equalized by the department of revenue  
26 every two years. Local taxing authorities determine the final  
27 tax levies and may reduce property tax rates to compensate  
28 for any increase in valuation due to equalization. If you  
29 are not satisfied that your assessment as adjusted by the  
30 equalization order is correct, you may file a protest against  
31 such assessment with the board of review on or after October  
32 9, to and including October 31.

33 b. Failure to publish the equalization order or to notify  
34 property owners or taxpayers of the equalization order has no  
35 effect upon the validity of the orders.

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1     4. The local board of review shall reconvene in special  
2 session from October ~~15~~ 10 to November 15 for the purpose of  
3 hearing the protests of affected property owners or taxpayers  
4 within the jurisdiction of the board whose valuation of  
5 property if adjusted pursuant to the equalization order issued  
6 by the director of revenue will result in a greater value than  
7 permitted under section 441.21. The board of review shall  
8 accept protests only during the ~~first ten days following the~~  
9 ~~date the local board of review reconvenes~~ period of time from  
10 October 9, to and including October 31. The board of review  
11 shall limit its review to only the timely filed protests. The  
12 board of review may adjust all or a part of the percentage  
13 increase ordered by the director of revenue by adjusting the  
14 actual value of the property under protest to one hundred  
15 percent of actual value. Any adjustment so determined by  
16 the board of review shall not exceed the percentage increase  
17 provided for in the director's equalization order. The  
18 determination of the board of review on filed protests is  
19 final, subject to appeal to the property assessment appeal  
20 board. A final decision by the local board of review, or the  
21 property assessment appeal board, if the local board's decision  
22 is appealed, is subject to review by the director of revenue  
23 for the purpose of determining whether the board's actions  
24 substantially altered the equalization order. In making the  
25 review, the director has all the powers provided in chapter  
26 421, and in exercising the powers the director is not subject  
27 to chapter 17A. Not later than fifteen days following the  
28 adjournment of the board, the board of review shall submit to  
29 the director of revenue, on forms prescribed by the director, a  
30 report of all actions taken by the board of review during this  
31 session.

32     Sec. 10. IMPLEMENTATION OF ACT. Section 25B.2, subsection  
33 3, shall not apply to this Act.

34     Sec. 11. EFFECTIVE UPON ENACTMENT. The following provision  
35 of this Act, being deemed of immediate importance, takes effect

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1 upon enactment:

2 1. The section of this Act amending section 426C.3.

3 Sec. 12. APPLICABILITY. Except for the section of this Act  
4 amending section 426C.3, this Act applies to assessment years  
5 beginning on or after January 1, 2016.

6 EXPLANATION

7 The inclusion of this explanation does not constitute agreement with  
8 the explanation's substance by the members of the general assembly.

9 This bill relates to property tax credits and assessment  
10 by modifying filing deadline provisions, modifying provisions  
11 relating to property assessment notices and equalization order  
12 notices, and by modifying provisions relating to property  
13 assessment protests and assessor informal reviews.

14 Current Code section 426C.3 requires claims for the business  
15 property tax credit to be filed not later than March 15  
16 preceding the fiscal year during which the taxes for which the  
17 credits is claimed are due and payable. The bill provides that  
18 claims for the business property tax credit against taxes due  
19 and payable in fiscal years beginning on or after July 1, 2016,  
20 shall be filed not later than July 1 preceding the fiscal year  
21 during which the taxes for which the credit is claimed are due  
22 and payable.

23 Current Code section 441.30 allows a property owner or  
24 taxpayer to contact the assessor to inquire about the specifics  
25 and accuracy of the assessment and to request an informal  
26 review of the assessment on or after April 1 to and including  
27 May 4 of the assessment year. The bill modifies that period  
28 of time to be on or after April 2 to and including April 25.  
29 The bill also authorizes a change to the assessment on or  
30 before April 25 if the owner or taxpayer enters into a written  
31 agreement with the assessor. This authority is in addition  
32 to the assessor's current authority to recommend that the  
33 taxpayer file a protest with the local board of review and file  
34 a recommendation in regards to such a protest.

35 The bill also modifies the period of time for filing an

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1 assessment protest with the local board of review from the  
2 current April 7 to May 5, to a period of time beginning April 2  
3 to and including April 30.

4 Current Code section 441.26 requires notices of equalization  
5 orders to be published in the newspaper on or before  
6 October 15. The bill modifies the publication deadline for  
7 equalization order notices to October 8 and requires that  
8 individual notices be mailed by October 8 to each owner or  
9 taxpayer whose valuation has been increased by the equalization  
10 order. The bill provides that the notice shall contain the  
11 statement currently required in published notices and amends  
12 Code section 441.49 to also require that the notice contain a  
13 statement of the owner's or taxpayer's ability to file with the  
14 local board of review a protest against an assessment adjusted  
15 by the equalization order.

16 The bill also amends Code section 441.49 to modify the  
17 period of time for taxpayer protests of an equalization order  
18 and the dates of the local board of review's session to hear  
19 such protests. Current law allows such protests to be filed  
20 on or after October 15, to and including October 25. The bill  
21 makes the period of time for filing a protest from October 9 to  
22 October 31. The bill changes the dates during which the local  
23 board is in session to hear assessment protests resulting from  
24 equalization orders to be October 10 to November 15 (previously  
25 October 15 to November 15).

26 Code section 441.35, subsection 2, also authorizes the local  
27 board of review to provide notice to taxpayers by publication  
28 in one of the official newspapers located in the taxing  
29 district if the local board of review raises the assessment  
30 of all property in a taxing district during the local board  
31 of review's session in an even-numbered assessment year.  
32 The bill modifies this provision to require, in addition to  
33 individual owner or taxpayer notices, notice by publication if  
34 all property in the taxing district is revalued and reassessed.

35 The bill amends Code section 441.37 to require individual

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1 assessment notices and published notices resulting from an  
2 equalization order to include information on the availability  
3 of electronic filing of protests if electronic filing is  
4 authorized by the local board of review.

5     The bill may include a state mandate as defined in Code  
6 section 25B.3. The bill makes inapplicable Code section 25B.2,  
7 subsection 3, which would relieve a political subdivision from  
8 complying with a state mandate if funding for the cost of  
9 the state mandate is not provided or specified. Therefore,  
10 political subdivisions are required to comply with any state  
11 mandate included in the bill.

12     The section of the bill amending Code section 426C.3 takes  
13 effect upon enactment.

14     Except for the section of the bill amending Code section  
15 426C.3, the bill applies to assessment years beginning on or  
16 after January 1, 2016.



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**House File 617 - Introduced**

HOUSE FILE 617  
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 245)  
(SUCCESSOR TO HF 93)

**A BILL FOR**

1 An Act providing for special vehicle registration plates  
2 displaying a decal designed and issued by a nonprofit  
3 organization, providing fees, making a penalty applicable,  
4 and including effective date provisions.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:



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1     Section 1. Section 321.34, subsection 13, Code 2015, is  
2 amended by striking the subsection and inserting in lieu  
3 thereof the following:

4     13. *Special plates displaying organization decal.*

5     a. (1) The owner of a motor vehicle subject to registration  
6 pursuant to section 321.109, subsection 1, motor truck, motor  
7 home, multipurpose vehicle, motorcycle, trailer, or travel  
8 trailer may upon request be issued special registration  
9 plates that contain a space reserved for the placement of an  
10 organization decal. If the special plates are requested at the  
11 time of initial application for registration and certificate  
12 of title for the vehicle, no special plate fee is required  
13 other than the regular annual registration fee for the vehicle.  
14 If the special plates are requested as replacement plates,  
15 the owner shall surrender the current regular or special  
16 registration plates in exchange for the special plates and  
17 shall pay a replacement plate fee of five dollars. The county  
18 treasurer shall validate special plates with an organization  
19 decal in the same manner as regular plates, upon payment of the  
20 annual registration fee.

21     (2) An applicant may obtain a personalized special  
22 registration plate with space reserved for an organization  
23 decal, subject to the additional fees for a personalized plate  
24 as provided in subsection 5. Personalized plates with space  
25 reserved for an organization decal shall be limited to no more  
26 than five initials, letters, or combinations of numerals and  
27 letters.

28     b. (1) An organization may apply to the department  
29 for approval to issue a decal to be displayed on vehicle  
30 registration plates. To qualify for such approval, an  
31 organization must have at least two hundred members in this  
32 state and shall meet the following requirements:

33     (a) The primary activity or interest of the organization  
34 serves the community, contributes to the welfare of others,  
35 and is not discriminatory in its purpose, nature, activity, or

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1 name.

2 (b) The name and purpose of the organization do not promote  
3 any specific product or brand name that is provided for sale.

4 (c) The organization is a nonprofit corporation which is  
5 exempt from taxation under section 501(c)(3) of the Internal  
6 Revenue Code and is organized under the laws of this state or  
7 authorized to do business within this state.

8 (2) The department may accept an application for a decal  
9 design from a group of nonprofit organizations with a common  
10 purpose, provided that each organization within the group meets  
11 the requirements for a qualifying organization established by  
12 the department under this subsection.

13 c. An organization desiring to issue a decal shall submit an  
14 application to the department on a form to be provided by the  
15 department. Along with the application, the organization shall  
16 furnish to the department all of the following:

17 (1) A copy of the articles of incorporation for the  
18 organization.

19 (2) A copy of the charter or by-laws for the organization.

20 (3) Any Internal Revenue Service rulings concerning the  
21 organization's nonprofit tax exemption status.

22 (4) A color copy of the completed decal design.

23 (5) A clear and concise explanation of the purpose of the  
24 decal, all eligibility requirements for purchasing the decal,  
25 and fees to be charged for the decal.

26 (6) Certification by the person who has legal rights to the  
27 decal design allowing use of the design.

28 (7) Any other information required by the department.

29 d. The department shall consider a proposed decal design  
30 based upon criteria established by the department, which shall  
31 include but not be limited to the following:

32 (1) A decal shall not promote a specific religion, faith, or  
33 anti-religious sentiment.

34 (2) A decal shall not have any sexual connotation and shall  
35 not be vulgar, prejudiced, hostile, insulting, or racially or

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1 ethnically degrading.

2 e. Upon approval by the department of an organization's  
3 application to issue a decal and approval of the design of the  
4 decal, the organization is responsible for the production,  
5 administration, and issuance of the decal. An organization  
6 shall not issue a decal that has not been approved by the  
7 department or alter the approved design of a decal without the  
8 department's approval.

9 f. A person shall not display a decal on a vehicle  
10 registration plate other than a decal approved by the  
11 department.

12 g. The department may adopt rules pursuant to chapter 17A as  
13 necessary to implement this subsection.

14 Sec. 2. Section 321.166, subsection 9, Code 2015, is amended  
15 to read as follows:

16 9. Special registration plates issued pursuant to section  
17 321.34, other than gold star, medal of honor, collegiate, fire  
18 fighter, and natural resources registration plates, shall be  
19 consistent with the design and color of regular registration  
20 plates but shall provide a space on a portion of the plate  
21 for the purpose of allowing the placement of a distinguishing  
22 processed emblem or an organization decal. Special  
23 registration plates shall also comply with the requirements  
24 for regular registration plates as provided in this section to  
25 the extent the requirements are consistent with the section  
26 authorizing a particular special vehicle registration plate.

27 Sec. 3. EFFECTIVE DATE. This Act takes effect January 1,  
28 2016.

29 EXPLANATION

30 The inclusion of this explanation does not constitute agreement with  
31 the explanation's substance by the members of the general assembly.

32 This bill provides for the issuance of special vehicle  
33 registration plates containing a space for the placement of  
34 an organization decal and provides a process for the approval  
35 of registration plate decals to be issued by qualifying

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1 organizations.

2 Under current law, anyone may submit a request to the  
3 department of transportation for approval of a new special  
4 registration plate with a processed emblem. If the department  
5 approves the request and the design of the proposed emblem,  
6 a minimum of 500 paid applications are required before the  
7 department begins issuing the plate. The department may cancel  
8 its approval if sufficient applications are not received within  
9 one year. A vehicle owner is charged a fee of \$25 for the  
10 issuance of the special plates, and an annual \$5 validation  
11 fee for renewal. Those fees are deposited in the road use  
12 tax fund. An alternative process allows for a state agency  
13 to sponsor a special registration plate, with fees of \$35 for  
14 issuance and \$10 for renewal. Those fees are credited to the  
15 sponsoring state agency.

16 The bill eliminates the current process for a person to  
17 request a new special plate and eliminates state agency  
18 sponsorship of new special plates. Under the bill, the  
19 department will begin issuing special registration plates with  
20 a space reserved for placement of an organization decal to be  
21 designed, produced, and issued by a qualifying organization,  
22 rather than the department. The plates will be available  
23 without an additional special plate fee at the time of initial  
24 registration of a vehicle, and will be renewed annually upon  
25 payment of the regular annual registration fee for the vehicle.  
26 A \$5 replacement fee applies if the plates are issued in  
27 exchange for regular or special plates. The new plates will  
28 also be available as personalized plates upon payment of  
29 personalized plate fees.

30 A qualifying organization must be a nonprofit corporation  
31 with at least 200 members, whose primary activity or interest  
32 serves the community, contributes to the welfare of others, and  
33 is not discriminatory. A group of such organizations with a  
34 common purpose may also be approved to issue a decal. The bill  
35 specifies that organizations that promote a specific product

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1 or brand name are not eligible to issue organization decals.  
2 An organization desiring to issue a decal must apply to the  
3 department for approval by submitting information concerning  
4 its nonprofit corporation identity along with a copy of the  
5 proposed decal design, certification of legal rights to use  
6 the design, and an explanation of the purpose of the decal,  
7 eligibility requirements, and fees the organization will charge  
8 for the decal. The department may establish criteria for decal  
9 designs, including that a decal shall not promote a specific  
10 religion, faith, or anti-religious sentiment, shall not have  
11 any sexual connotation, and shall not be vulgar, prejudiced,  
12 hostile, insulting, or racially or ethnically degrading. If  
13 the department approves the application, the organization is  
14 responsible for the production, administration, and issuance  
15 of the decal, and any fees charged by the organization for the  
16 decals will be retained by the organization.

17 The bill prohibits any organization from issuing a decal  
18 without the approval of the department. The bill also  
19 prohibits a person from displaying a decal other than an  
20 approved decal on a vehicle registration plate. Pursuant to  
21 current law, a person who violates Code provisions relating  
22 to vehicle registration plates commits a simple misdemeanor  
23 punishable by a scheduled fine of \$20.

24 The bill takes effect January 1, 2016.